

## Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 AID-05 IGA-02 EB-07 OMB-01

TRSE-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 /080 W

----- 032849

R 271524Z JUL 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0724

INFO AMEMBASSY SANTIAGO

C O N F I D E N T I A L BONN 12605

E.O. 11652: GDS

TAGS: PFOR, SHUM, GW, CI, EAID

SUBJ: FRG AID TO CHILE

REF: SANTIAGO 6712

1. A POLITICAL DECISION TO APPROVE THE LAST PENDING AID PROJECT COMMITTED DURING THE ALLENDE GOVERNMENT APPARENTLY WAS TAKEN BEFORE MINISTER OF STATE MOERSCH DEPARTED FOR HIS JULY VISIT TO CHILE AS REPORTED IN REFTEL. THERE WERE TWO FRG AID PROJECTS PENDING WHEN THE PINOCHET GOVERNMENT TOOK POWER IN CHILE; A COMMODITY AID AGREEMENT AND THE PORT ODERNIZATION PROJECT IN PUERTO MONT. IN THE FALL OF 1975 THE BUNDESTAG GAVE APPROVAL FOR THE DISBURSEMENT OF THE COMMODITY AID FUNDS, ACCEPTING THE FONOFF ARGUMENT THAT OBLIGATIONS OF THE FRG HAD TO BE HONORED. THE PORT MODERNIZATION PROJECT WAS UNDERWAY WHEN THE FRG CUT OFF AID TO CHILE AFTER THE CHANGE IN GOVERNMENT. DM 6.9 MILLION REMAINED FOR THE THIRD AND FINAL STAGE OF THE PROJECT. THIS IS THE AMOUNT AFFECTED BY THE FRG DECISION.

2. DISBURSEMENT OF THE DM 6.9 MILLION WILL BE HELD UP UNTIL LATE 1977 OR EARLY 1978 HOWEVER. DUE TO CONFIDENTIAL

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INFLATION THE COMMITTED AID WILL NO LONGER ACCOMPLISH

WHAT WAS PREVIOUSLY ENVISIONED. A SCALED-DOWN  
VERSION OF THE ORIGINAL PROJECT WILL THEREFORE HAVE  
TO BE DESIGNED. IN ADDITION, THERE WILL BE NO  
MOVEMENT ON THE PROJECT BEFORE THE OCTOBER 3 ELECTIONS  
IN THE FRG. THE ISSUE IS TOO HIGHLY CHARGED FOR THE  
SOCIAL DEMOCRATS TO TAKE ACTION BEFORE THE ELECTIONS.

3. NEW AID FOR CHILE, BEYOND THE MONEY FOR THIS  
PROJECT, IS OUT OF THE QUESTION FOR THE FORESEEABLE  
FUTURE. ALTHOUGH THE FONOFF WOULD PREFER  
REGULARIZED RELATIONS WITH THE PINOCHET GOVERNMENT  
AND FRG BUSINESS WOULD READILY RESPOND TO A BETTER  
COMMERCIAL CLIMATE IN CHILE, POLITICAL OPPOSITION  
TO THE PINOCHET GOVERNMENT REMAINS AN INSUPERABLE  
IMPEDIMENT, PARTICULARLY IN THE LEFT-WING OF THE  
SOCIAL DEMOCRATIC PARTY.  
CASH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, COMMODITIES, MINISTERIAL VISITS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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